



The Broadband Connection for December 17, 2004

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Given your interest in activities and developments related to broadband expansion in Michigan, I hope you will continue to find value in **The Broadband Connection**. If you would prefer to receive these updates in some other format, or if you wish to be removed from my mailing list, please contact my executive assistant, Ms. Penny Gutierrez, at 517.241.2121 or by e-mail at gutierrezp@michigan.gov

Several New Loans Approved by MBDA Board—Since our last publication the Authority's Board of Directors has approved nearly \$9 million in new loans for projects in several areas across the state (more detail below). This raises the Authority's portfolio of approved loans to over \$12 million. As construction is completed and networks are lit, these projects will impact broadband service in more than 150 cities across the state. The Authority also expects to bring nearly \$14 million in new projects to the Board of Directors for approval in January and February.

Authority Loan to Expand Wireless Broadband Network in Saginaw, Midland, Bay City Regions—Earlier this month the MBDA closed a \$1.5 million loan to SpeedNet LLC of Saginaw to help deploy new state-of-the-art equipment in this tri-city region. The project entails the use of a next generation "non-line of sight" equipment platform that will ease installation and provide better service for customers in the providers footprint. The full press release can be viewed at www.broadbandauthority.org

Macomb-based Provider to Use MBDA Loan for Network Expansion/Upgrade—The MBDA also closed an \$800,000 loan to Michigan Lightwave, LLC in December to help finance their fiber network in Macomb County and parts of northern Oakland County. Lightwave is a dark fiber provider that owns fiber optic cables that are leased to enterprise customers on 5 or 10 year terms. Dark fiber providers sell or lease strands of fiber on their networks to telecommunications companies, governmental entities and private enterprises. More details at our website.

Second Loan Approved for ACD.net—Lansing-based ACD.net received a second loan for \$1.6 million from the Broadband Authority for acquisition and upgrades to a network in southwest Michigan that will expand its broadband service into Benton Harbor, St. Joseph, Paw Paw and several other cities in Berrien, St. Joseph, Cass and Van Buren counties. The MBDA closed an initial \$1.2 million loan to ACD.net on June 25. That loan is extending new broadband services throughout central and west Michigan including the cities of Portland, East Grand Rapids, Mason, Michigan Center, Holt and Haslett; More details at our website.

Traverse City-Based Appia Communications Using MBDA Loan to Expand Broadband Services Across State—The MBDA also closed a loan earlier this month to help Appia Communications expand its broadband-based integrated voice and data services. The \$800,000 MBDA loan will help support improvements to a new network operations center that will enhance redundancy and improve service. Appia specializes in providing converged broadband services to small and medium-sized businesses; More details at our website.

Marquette-based Broadband Provider Receives Seed Loan for U.P. Expansion—This fall the MBDA approved its first "Seed Loan" to Marquette-based Uplink Services, LLC. This \$50,000 zero interest loan is being used to further engineer and design the company's wireless broadband expansion plans.

The Future of Wireless Speed Capability—As reported in the Great Lakes I.T. Report, a group of technology companies including Texas Instruments Inc., STMicroelectronics and Broadcom Corp., recently said they will propose a new wireless networking standard up to 10 times the speed of the current generation. The group says they are submitting a plan for a new standard for a popular short range wireless networking technology known as Wi-Fi -- which is used in airports, hotels and coffee shops to access the Web without wires. The group, calling itself "WWiSE," said their version of an 802.11n standard would be compatible with the technology currently in use, known by various code names such as 802.11b and 802.11g. Their technology could operate at speeds up to 540 megabits per second.

Broadband Use Threshold Reached—Broadband has finally superseded dialup connections to the Internet, according to the latest measurements by Nielsen NetRatings. Nielsen reports broadband is used by 63 million users, or 51 percent of the U.S. online population, up from 38 percent last year. Only 61.3 million households still use dialup, a figure 13 percent lower than last year's tally.

Leveraging a new "Digital Divide" Investment Grant Program—Encouraging broadband investment in some regions of the state cannot always be accomplished solely through the availability of an MBDA loan. The MBDA has been making this argument in Washington over the past several months in an effort to obtain approval for the use of existing Community Development Block Grant (CDBG) dollars, in combination with MBDA loans, to support broadband infrastructure projects. In partnership with the Michigan Economic Development Corporation (MEDC) and the Michigan State Housing Development Authority (MSHDA), the MBDA worked with the Department of Housing and Urban Development to create such a program. As envisioned, the program will help extend affordable broadband service to low and moderate income families in underserved areas across the state. The first pilot areas, **Muskegon and Marquette Counties, have issued Digital Divide Investment Program (DDIP) solicitations.** Hotlinks to these Request-For-Proposals can be accessed through our website. The deadline for responses from interested broadband providers is January 14, 2005.

As always, for more information about the Broadband Authority's loan programs, please visit: www.broadbandauthority.org.

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